

September 9, 1985

TO: Lowell P. Braxton, Administrator  
THRU: D. Wayne Hedberg, Permit Supervisor  
FROM: Thomas J. Suchoski, Geologist *TJS*  
RE: Wild Horse Ridge Portal Exploration Access Road,  
ARCO-Beaver Creek Coal Company, CEP/015/007, Emery County,  
Utah

In August 1982, Anaconda Minerals proposed the development of an access road to allow exploration activities for the evaluation and feasibility determination of portal development activities for the proposed Wild Horse Ridge Mine (PRO/015/001). These activities were approved on August 17, 1982 by Cy Young of the Division. The Exploration activities proposed in 1982 and the additional exploration proposed in January of 1983 were declared complete by Beaver Creek Coal Company on March 1, 1983. As part of this completion notice, Beaver Creek indicated that the property was a viable mining site and that development was planned for the near future.

Sometime between March of 1983 and December of 1984, Beaver Creek decided not to pursue development of the Wild Horse Ridge Mine because of poor market conditions. The property was planned to be turned back to the owners, Nevada Electric Investment Company (NEICO). On December 6, 1984, Dianne R. Neilson wrote a letter to Beaver Creek summarizing discussions between the Division and Beaver Creek regarding the status of the exploration operation in the event of a transfer of that operation from Beaver Creek to NEICO. Part of the letter indicated NEICO must follow through with permitting of the operation within the foreseeable future or reclaim the exploration road.

In June, 1985, NEICO indicated to the Division their willingness to accept responsibility for the Wild Horse Ridge property. They proposed that they, as property owners, would accept the property and retain the exploration road in a stabilized condition, put the operation in suspension until market conditions improved, and that Beaver Creek would withdraw the PAP for the Wild Horse Ridge mine. They felt that the statute does not require them to reclaim the road following withdrawal of the PAP.

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This brings us up-to-date regarding the status of the portal exploration activities for the Wild Horse Ridge property. The purpose of the remainder of this memo is to describe the pertinent regulations, present alternative actions which the Division may undertake regarding this property, and to provide a recommendation as to the action to take and the reasons for it.

Based on the regulations, UMC 815.15(c)(4) specifies that following exploration, all roads must either be reclaimed or upgraded to a Class I or II road depending on intended use. UMC 815.15(i) specifies that all equipment and facilities shall be removed when no longer needed, except those to facilitate future mining activities.

The options which are open to the Division regarding this property are described as follows:

- 1) Beaver Creek can be required to immediately reclaim the exploration operation which they permitted, in accordance with their approved plans.
- 2) Beaver Creek can be allowed to transfer the exploration operation to NEICO responsibility and NEICO be required to immediately reclaim the site in accordance with the approved reclamation plans.
- 3) Beaver Creek can be allowed to transfer the exploration operation to NEICO responsibility and NEICO be required to reclaim the operation within a specified time period (say two years) if market conditions do not improve within that time. Such an agreement would require some sort of on the ground maintenance and inspection requirement to ensure the site would remain in an environmentally acceptable condition.
- 4) Beaver Creek can be allowed to transfer the exploration operation to NEICO responsibility and NEICO as land owner be allowed to do as they please with the road. It is their land and they can decide the post-mining land use.

The above presented options are not all inclusive and many variations of each are possible. Based on my understanding of the regulations and the situation for the Division and the Operator, the following discussion of each of the above described alternatives is presented:

- 1) This alternative would allow the Division to achieve a reclaimed site, however it is not taking into accounts the wishes of the land owner. The statute does allow for transfer of permits for one operator to another, so long as the reclamation responsibility is also tranferred.
- 2) This alternative is allowed as previously indicated. It would also provide the method of achieving a reclaimed site, however it also does not provide for the wishes of the operator. The operator wants to retain the road. This option would not allow that.
- 3&4) This alternative is also allowed so far as the ownership transfer is concerned. The question here is whether the operator can postpone reclamation and possibly change the post-exploration land-use. According to the regulations, if a mine is not to be developed, the site must immediately be reclaimed or the road upgraded to a Class I or II road. If the Division is willing to allow the transfer and to set a timeframe for development and NEICO were willing to upgrade the road, then NEICO could take the reclamation responsibility for the site. Under this scenario, it is possible that the Division could require a bond be posted, specify the areas of concern that NEICO would have to address prior to placing the site on a suspended status, and set the timeframe for final reclamation.

The fourth alternative is not allowed by the regulations, though NEICO probably feels this way.

Based on the above discussion, it is my recommendation that the transfer be allowed, that a timeframe be set for development before reclamation will be required, a bond be posted for the disturbance, criteria be set for upgrading the road and for placement of the road on suspended status (an on-site visit may be the best method for determining this), maintainence monitoring be specified and inspected, and adequate reclamation plans be approved by the Division.